agricultural situation

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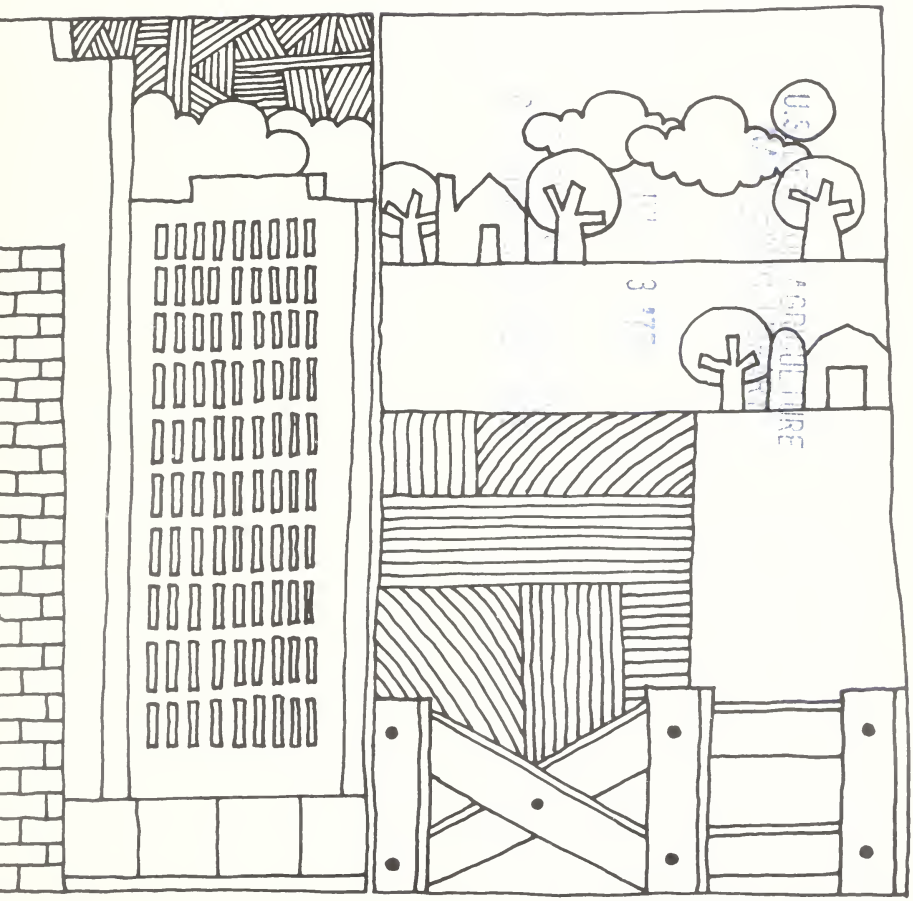

THE COUNTRYSIDE BECKONS

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Years ago, they said that rural America was dying. That it had no future. And sometimes it was hard to find evidence to the contrary.

But now it's a different story, as the Nation finds itself swept up in a massive "back-to-the-country" movement. Assistant Secretary of Agriculture Will Erwin puts it this way, " . . . rural growth for the first time in our recorded history, is suddenly taking off."

In a recent speech before the Western Governors' Conference on Agriculture, Mr. Erwin talked about the escalating move back to the country and the forces that have shaped it.

It began in the early 1970's. That's when the long flow of rural people to U.S. cities in search of jobs and a better life suddenly ebbed and reversed itself. Between 1970 and 1973, 1.1 million more people migrated to rural and small town areas than left them.

A big reason for this about-face has been a shift in attitudes about rural living. Major cities that grew and sprawled until nearly three-fourths of the population was jammed onto less than 2 percent of our land area are losing their luster for many Americans.

Urban people, according to reports, are getting fed up with rising crime rates, soaring housing costs, and the breakdown of services afflicting our big cities and their suburbs. Several national surveys have shown that at least twice as many people would like to live in rural areas than actually live there.

But if you had to give any one reason why people started leaving the city for the country, it would have to be job opportunities. Before our current economic slowdown, rural job opportunities opened up twice as fast as urban employment, growing at an annual rate of 2.6 percent during 1970-73, versus 1.2 percent in the cities.

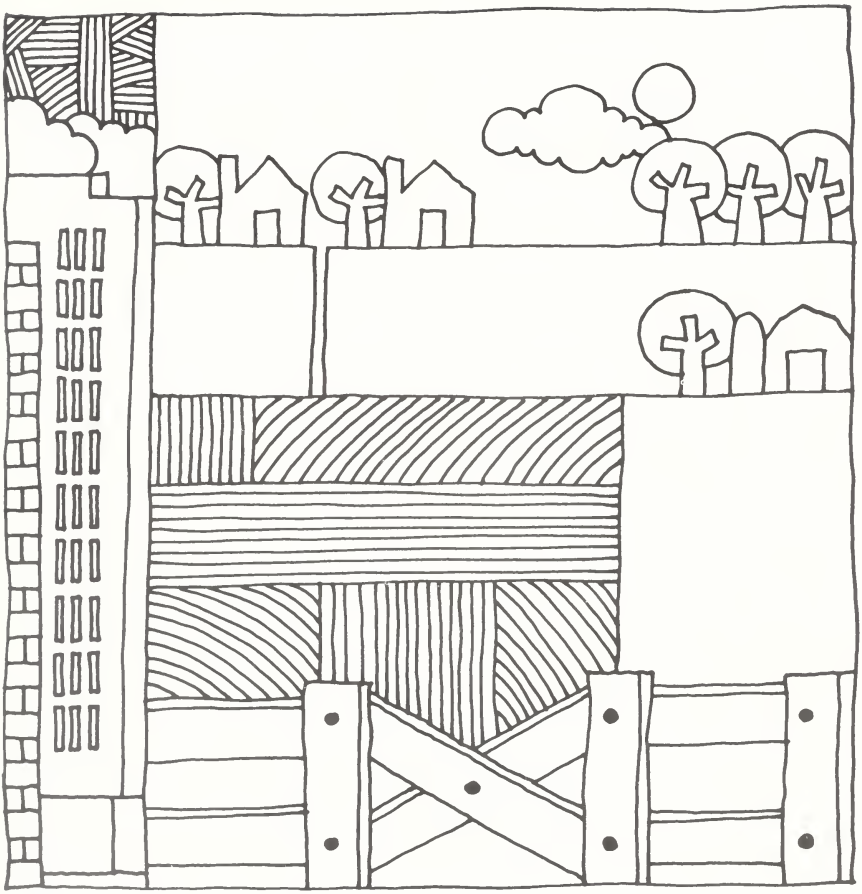
The surge of rural jobs began reversing a trend that saw nearly a third of all retail and consumer service enterprises in towns of less than 2,500 close their doors between 1950 and 1970. Besides attracting an influx of city people, the new jobs allowed farm people to take jobs off the farm—something they'd had to commute many miles to do before.

The economic downturn, of course, has affected rural areas as well as big cities. Indications are that from November 1973 to November 1974, nonmetro areas made only small gains in employment as compared with the rather substantial gains made during 1971-73. A slight loss in total nonmetro jobs took place in calendar year 1974 in comparison to 1973.

But there's a bright note in all of this: In the past, rural areas have pulled out of recessions more quickly and more convincingly than the urban sector. Also, the economies of many rural areas will continue to benefit from the compelling world need for food and fuel.

Another factor in rural growth has been the emergence of U.S. farmers onto the world marketplace. Mr. Erwin asserts that agricultural products are now being used as an effective tool of diplomacy and an instrument of peace, as well as contributing to a favorable balance of payments.

The value of U.S. farm exports soared to an unprecedented $22 billion last year, a level that may be



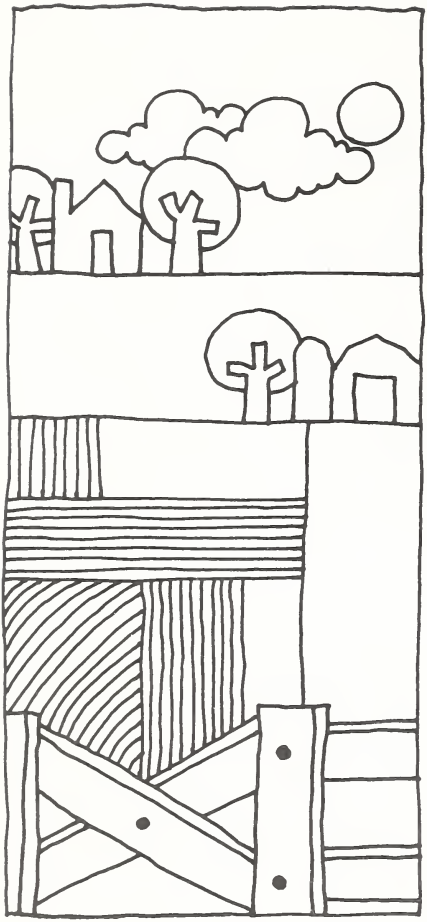
topped again this year.

Besides giving the United States more bargaining power, these exports have emphasized the importance of U.S. agriculture to the world economy. This has led to a new way of looking at the American farmer and rural living in general. And that's reflected in our agricultural colleges, where enrollment more than doubled in the past decade.

These developments, as well as this Nation's new emphasis on market-oriented agriculture and all-out production, have also brought a breath of fresh air to rural institutions. These include the rural bankers, feed and seed handlers, farm machinery dealers, and others whose well-being—if not their very livelihood—depends on the American farmer.

Probably the best indicator of change in rural America, though, is farm numbers. During the 1960's, the country was losing more than 100,000 farms a year. The loss now stands at a fraction of that number. And the farm population itself has stabilized at around 9.5 million people—after losing 21 million people after 1940.

Many of our Western States, particularly Idaho, Montana, Nebraska, New Mexico, North Dakota, South Dakota, Utah, and Wyoming, bear witness to this



sweeping change. Each of these States lost thousands of people during the 1960's. But from 1970-73, all reported sizable numbers of new residents.

Most demographers think this trend will continue. First of all, there's the simple fact that Census experts predict there'll be 50 million more Americans by the end of the century who are going to need a place to live.

A more unexpected development—at least until a few years ago—also points to rural population growth in the West. That's our fuel crunch and the subsequent need to tap new sources of energy. Lying beneath the Northern Great Plains States of Wyoming, Montana, North Dakota, South Dakota, and Nebraska are enormous coal reserves. USDA economists predict that extensive coal development could swell that region's population more than 40 percent by 1985.

The infusion of new residents in the Northern Great Plains and other rural sectors will bring economic opportunities undreamed of a few years back. But it will also mean some tough social adjustments and a strain on rural facilities unless State and local leaders act now to assure orderly development in their communities.

Once decisions are made at the local level, there's a lot the Federal Government can do to help. Here's what several USDA agencies are doing right now . . . which gives a pretty clear idea about the pace at which rural America is growing.

- The Farmers Home Administration (FmHA) made an estimated 125,400 housing loans in fiscal 1975—compared with 54,866 such loans in 1969. By the end of fiscal 1974, FmHA had financed more than 8,000 community water or sewer projects.
- Rural development specialists with USDA's Cooperative Extension Service now number around 700—twice the number in 1969. Last year, Extension employees in the Nation's 3,150 counties devoted 1,573 man-years to rural development assistance.
- In fiscal 1975, the Rural Electrification Administration loaned or guaranteed repayment of loans by private lenders totaling $2,286 million, compared with $470 million in 1969.

Because of rural America's importance to the well-being of the rest of the country and the world, a number of other Federal departments are actively involved in rural development. Their assistance programs have doubled and redoubled in recent years.

CROP STOPPERS IN THE LDC'S

What is it that holds back farm production in the developing countries? Bad weather? Lack of know-how? No fertilizer?

It's all of these and more, according to researchers with USDA's Foreign Agricultural Service. In a recent survey, they found 46 of 50 less developed nations had government policies that hamper agricultural development.

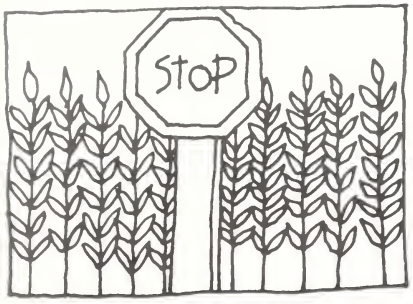
While the survey didn't attempt to measure the specific impacts of the programs, it did identify the kinds of policies that directly or indirectly curb farm production and why.

Here are some of them . . .

Price controls. When certain products are in short supply, some countries fix producer selling prices or consumer retail prices in order to make food distribution more equitable. But when the prices are set below what they'd be when determined by supply and demand only, farmers feel they have nothing to gain by upping their output.

Noncompetitive buying. In a number of countries, the government is the only buyer of certain farm products. This guarantees consumer supplies and earns revenues. But when the government pays less than the going market price, producers are discouraged from growing more, and consumers pay higher prices for limited supplies.

Export controls and export taxes. Besides posing a barrier to free trade, these policies can result in lost export markets. When countries impose export taxes—as 22 developing nations did at the time of the survey—they drive up costs to foreign buyers, who then cast about for other sources. Faced with shrinking export markets, farmers in these countries think twice before expanding production.



Reduced export demand also slashes the foreign exchange earnings needed to finance imports. To avoid this situation, some countries give exports top priority.

Argentina, for instance, has long maintained a stable export market for its beef by manipulating taxes and exchange rates. If domestic beef prices start to climb, the Argentine government simply reduces export duties or raises subsidies so that export levels won't be affected. But over the long run, these adjustments tend to disrupt domestic prices . . . and shake producer confidence as well.

Import subsidies. Some developing nations subsidize certain food imports to halt inflation and assure adequate supplies. Import subsidies usually apply to grains, but not always. Subsidized meat imports in Spain, for example, seriously choked that country's livestock industry.

Restrictions on farm size, land tenure, and credit. Farmers who can't expand their acreage won't invest in highly productive inputs, and farmers who can't get credit can't make the investment anyway. Nonetheless, the survey found restraints like these on the lawbooks of 19 developing nations.

Restrictions on the movement of agricultural products from surplus districts to deficit districts within a country. These may be the least used of all policies that hold back farm production, but their effect is obvious . . . denied access to markets that need their products, farmers see no benefit in stepping up production.

CROPLAND: A PEAK IN THE PAST

When SRS's Crop Reporting Board announced last March that farmers intended to plant 218 million acres to 16 major crops, it seemed like a lot.

Yet at some time or another there were as many as 436 million acres bearing crops in the United States, according to USDA economists.

Not all that land was in production at one time, however. The 436 million acres are a total of the peak acreages harvested by each county in the country between 1880 and 1969. The most land ever in production in any 1 year was in 1929, when farmers harvested crops from 359 million acres.

Census data show that 95 percent of all U.S. counties harvested their maximum acreage after the turn of the century. Counties cresting before 1900 are concentrated along the eastern seaboard where most of the population lived at that time.

About a fourth of all U.S. counties reached their peak acreage from 1900-1920. But a record 1,217 counties reported top acreage between 1920 and 1940, as tractors began to replace horses and mules. The following two decades saw around a fifth of all counties working record amounts of land.

Where is all this former cropland? Nearly three-quarters of it is in five regions: the Northeast, Northern and Southern Plains, Appalachia, and the Southeast. Generally, the land that was abandoned is inferior to what's farmed today.

Experts say that each year we lose around 2½ million acres of cropland to other uses—mostly to grass and trees. But the loss is partly offset by the 1¼ million acres of new cropland that are developed annually in this country.

GRAIN QUALITY DOWNTURN

Any way you look at it, 1974 wasn't much of a year for grains. Not only did late frosts and severe drought sharply lower the anticipated harvest, but the crop we finally took in was lower in quality than a year earlier.

Bad weather—which struck major grain-producing areas at crucial times during the growing season—was the main culprit in reducing quality, according to USDA's Agricultural Marketing Service.

That agency's Grain Division gathered grain quality data from more than 100,000 inspections of carlots, trucklots, warehouse lots, and submitted samples of grain during the harvest and immediately after. Though the 100,000 inspections used in the survey made up only a fraction of total grain inspections during the 1974 crop year, they provide a fairly reliable picture of how the Nation's grain harvest shaped up.

The quality of the 1974 corn crop proved considerably lower with only 53 percent making U.S. Grade No. 3 or better, compared with 64 percent in 1973. Test weights for corn were off more than a pound per bushel, with extremely low test weights in some areas.

Soybeans and oats tested out at roughly the same quality levels as the 1973 harvest. The share of soybeans qualifying as U.S. No. 1 slipped, however, as a larger proportion were graded No. 2.

Wheat took a comparative beating, with only 73 percent of the hard red spring crop reaching U.S. No. 2 or better—compared with over 90 percent in the past 2 years.

The soft red winter wheat crop fared poorly too, with nearly a third judged garlicky—about double the level a year earlier.

SPOT CHECK ON WORLD FOOD PRICES

Americans aren't the only ones who must cope with mounting food costs.

USDA's Foreign Agricultural Service (FAS) reports that early this year, food price indexes advanced in all 13 countries it surveys. FAS compares the indexes on a 1-month, 3-month, and 1-year basis.

The 13 countries surveyed are Belgium, Brazil, Canada, Denmark, France, Germany, Italy, Japan, Mexico, the Netherlands, Sweden, the United Kingdom, and the United States.

In January, the United Kingdom barely nosed out the Netherlands for the largest 1-month advance, and also claimed the heftiest 3-month gain—a little over 7 percent. On a 1-year basis, Brazil came out on top, with a 37-percent hike.

Every 2 months, FAS attachés check retail prices of 18 food items in 15 major world capitals. The March 5 survey showed that prices in Washington, D.C., ranged below the world medians for 7 of the 18 commodities, including sirloin steak, boneless chuck roast, ham, broilers, and butter. Washingtonians also paid less for bacon and eggs.

On a commodity basis, sugar prices dropped in 5 of the 15 world capitals since the January survey. Reductions were steepest in Washington, 34 percent; and Ottawa, 20 percent.

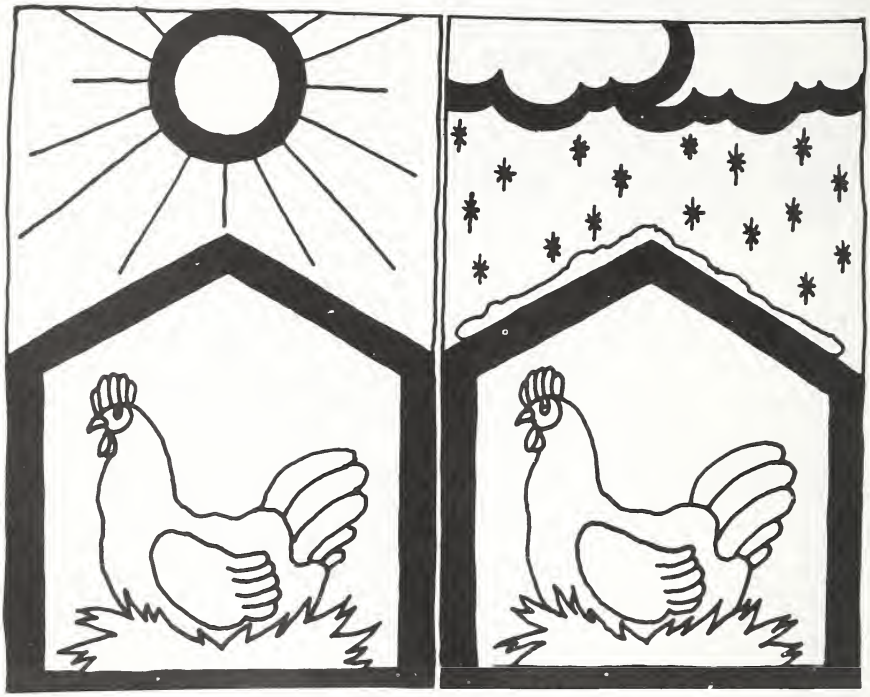
Meat prices—particularly for better cuts—edged up in a majority of cities, and consumers encountered stiffer broiler prices in 8 of the 15 world capitals. In contrast, egg prices dropped in 10 cities.

WHAT CONSUMERS PAID IN 15 WORLD CAPITALS[1]

	Steak, sirloin, boneless	Pork chops	Bacon, sliced, pkgd.	Eggs (1 dozen)	Butter	Tomatoes
	U.S. dollars per lb., at current exchange rates					
Bonn	4.16	2.36	3.75	.91	1.57	.39
Brasilia	1.27	1.63	4.15	.75	1.36	.39
Brussels	3.42	1.76	1.62	.90	1.69	1.05
Buenos Aires[2]	.70	.29	.89	.48	1.38	.19
Canberra	1.30	1.63	2.35	1.18	.91	.67
Copenhagen	4.70	2.60	2.71	1.29	1.43	1.43
London	2.92	1.65	2.04	.90	.68	.85
Mexico City	1.23	1.52	1.79	.83	2.08	.34
Ottawa	1.88	1.65	1.41	.75	.99	.79
Paris	2.79	1.83	3.41	1.09	1.73	.81
Rome	3.15	1.82	1.81	1.08	1.82	.63
Stockholm	4.73	2.25	2.67	1.33	1.41	1.27
The Hague	3.64	2.17	3.08	.97	1.46	.54
Tokyo	16.00	2.88	3.52	1.10	2.06	.49
Washington	1.69	1.79	1.56	.74	.89	.69
Median	2.92	1.79	2.35	.91	1.43	.67

[1]On March 5, 1975.
[2]Government ceiling prices are listed for meat.

BROILER CONDITIONS



WARM HOUSING

What's insulation got to do with the price of chicken?

Lots, according to researchers with USDA's Agricultural Research Service (ARS). They note that broiler production costs depend heavily on the price of liquid petroleum gas (LPG), which shot up 100 to 200 percent in the past 2 years. Higher costs, of course, spell steeper prices at the supermarket.

Back when fuel formed a small share of total costs, producers commonly used 40 to 100 gallons of LPG for each 1,000 broiler chicks during the normal 8-week production period. ARS researchers hope to make fuel use more efficient by evaluating the kinds of insulation used in poultry house construction.

The researchers found that it takes 30 to 35 gallons of LPG per brooder to maintain desired conditions during the first 9 days of growth. However, maintaining temperatures recommended by brooder manufacturers could result in fuel use of 30 to 70 gallons for each 1,000 chicks the first 9 days alone.

After a 3- to 4-week brooding period, additional heat is usually required to keep the house at an optimum 70° - 75°F. Temperatures below this level save on fuel costs but tack on added feed costs.

Researchers emphasize that in the summer, insulation helps reduce death loss due to heat prostration. But in the winter, it conserves fuel by retaining a major share of the heat given off by the chicks.

This was illustrated by two broiler houses—one insulated and the other not. First, assume that each house measures 40 by 200 feet, contains 11,360 square feet of wall and roof area, and houses 11,000 7-week-old chicks. The chicks produce detectable heat totaling 275,000 Btu. (A Btu, or British thermal unit, is the

amount of heat needed to raise the temperature of a pound of water 1 degree F.)

The first house, made from corrugated steel and wood framing—the standard construction—lacks insulation. The outside temperature is 30°. When the inside temperature reaches 49°, the heat produced by the chicks (275,000 Btu) equals the heat escaping from the house. In other words, the broilers provide no excess heat for the ventilation air, and supplemental heat from propane gas is needed.

The second house is built the same way, but lined with 2½ inches of glass fiber insulation. Sharply less heat is lost from the house, freeing 235,000 Btu from the chicks for warming the ventilation air. And that equals the heat energy provided by more than 2½ gallons of propane per hour.

COOL COMPETITION

Summer means barbecues, light meals, and a lot of stops at fast food franchises. All this adds up to a whopping demand for chicken.

Not only is the demand for broilers stronger in the summer than any other season, but population gains will help boost sales this July-September. And broiler producers can look for less competition from their usual rivals. Here's how that competition stacks up . . .

Pork production during third quarter 1975 is seen sharply down from a year earlier. Last December, hog producers held 15 percent fewer sows for breeding than a year ago, and the pig crop through February was down 20 percent in 14 important States.

Turkey output will rise seasonally during July-September, but is expected to drop around 6 percent below 1974 levels, due to reduced flocks. Supplies, however, will probably be off more than 6 percent, as turkey stocks have been building at slower rates than in first half 1974. Wholesale turkey prices, therefore, will probably climb well above year-earlier levels.

Beef production in third quarter 1975 will run sharply higher than a year ago. Bigger supplies will hold cattle prices down, but tightened supplies of pork and less poultry will lend strength to cattle prices.

The weak competition from pork and turkey should more than offset the threat posed by larger beef supplies. Experts with USDA's Agricultural Marketing Service (AMS) say overall demand for broilers during July-September should prove somewhat stronger than last year.

Using estimates based on past price relationships and expected third quarter supply and demand conditions, an AMS report says that if per capita broiler production runs near last year's levels, wholesale prices could range around 40 cents a pound—about 2 cents over 1974.

In the past, a 1-percent change in per capita production from the previous third quarter has pushed prices 2 percent in the opposite direction. For example, a 15-percent jump in per capita broiler production could send wholesale prices tumbling some 33 percent to around 27 cents a pound.

The cost of producing broilers in late summer will be determined to a large extent by demand for feed ingredients and prospective feed grain crops.

Corn prices could climb to near last year's $3.50 a bushel. And soybeans could sell for around $125 per ton during July-September—off $19 from third quarter 1974, according to an AMS report.

While poultrymen might find feed costs a bit more of a bargain than last year, other expenses of producing live broilers—along with processing and marketing costs—will no doubt turn up.

SURVEYSCOPE

To give our readers a clearer picture of the vast scope of SRS activities, Agricultural Situation presents a series of articles on special surveys undertaken in various States. While these are not national surveys, they are important to the agriculture in individual States.

Wyoming sheep producers had at least one thing to be thankful for in 1974: sheep and lamb losses in their State were cut by more than a fourth from the previous year's tally.

Part of the reason was mild weather in early 1974, compared with the previous April when heavy storms blanketed Wyoming ranges with 44 inches of snow in just the space of a week.

"Weather was the Wyoming sheep rancher's worst enemy in 1973," states Robert Carver, Statistician in Charge of the Wyoming Crop and Livestock Reporting Service in Cheyenne.

"Storms and other types of severe weather caused the deaths of more than 180,000 of the 462,000 sheep and lambs lost in 1973. On the basis of average 1973 prices, that added up to a loss of close to $4 million.

"In 1974, of course, we were working with a smaller inventory," claims Carver, "which helps explain why the year's losses—an estimated 342,000 head to all causes—was smaller than in 1973." On January 1, 1974, Wyoming's sheep population totaled 1.3 million—down 11 percent from the year-earlier count.

Carver attributes a lot of this smaller

Severe winters and numerous predators exact a heavy toll on Wyoming's sheep herds . . .

inventory to the growing number of sheep producers who have found it's unprofitable—in light of soaring production costs, herd losses, and low returns—to continue ranching.

Begun in the mid-1960's at the request of the State's wool growers, the Wyoming survey gives a comprehensive breakdown of the extent and causes of sheep and lamb deaths both before and after docking (clipping the tails, which is usually done shortly after the lambs are dropped).

Losses prior to docking represent a substantial portion of the total loss because it is at this young age that lambs are most vulnerable to predators and severe weather. Thus, the Wyoming survey gives a more specialized picture of the scope of sheep and lamb losses in a single State than SRS's national estimating program, which gathers data only on deaths after docking.

"Mainly because of a smaller loss from bad weather," Carver explains, "1974 sheep losses from all causes dropped 44 percent from a year earlier. Sheep loss due to weather alone came to only 6,100 head in 1974, compared with 130,500 weather-related deaths in 1973."

Favorable weather also moderated lamb losses last year. Wyoming ranchers lost 204,000 lambs to all causes—or just over a fifth of the lamb crop—compared with total deaths of 217,000 in 1973. Lambs lost to predators and other causes, however, climbed considerably.

In 1974, as in many years, predators—including coyotes, bobcats, bears, and foxes—were the No. 1 killer of sheep and lambs within the State. Last year's toll amounted to 152,100 head—a gain of 11 percent over the year earlier.

Coyotes continued to be indicated by producers as the major predator in 1974, destroying some 31,900 sheep and 90,800 lambs. Predators of all types claimed more than a fourth of Wyoming's total sheep loss, and over half of its lamb loss.

. . . according to ranchers' replies to the State's annual sheep and lamb loss survey.

Briefings

RECENT REPORTS BY USDA OF ECONOMIC, MARKETING, AND RESEARCH DEVELOPMENTS AFFECTING FARMERS.

WHAT'S WITH WHEAT . . . The wheat allotment for 1976 stands at 61.6 million acres, up from this year's 53.5 million, Agriculture Secretary Butz announced earlier this year. The national allotment doesn't limit how much can be planted. Rather, it's used as a basis for paying wheat growers if the market price slips below established target prices or if producers qualify for disaster payments. Under the two programs, producers may receive payments on allotted acres only. Next year's allotment is based on estimated yields of 33.1 bushels per acre and estimated total use—less imports—of just over 2 billion bushels for the 1976-77 marketing year. Domestic use is tagged at 841 million bushels, exports at 1.2 billion bushels, and imports at 1 million bushels.

HOW SWEET IT ISN'T . . . Hot from the laboratory ovens of the Agricultural Research Service comes a new bread enriched with about 50% more protein than bread now on the market. The bread contains more than a tripled concentration of lysine, making its nutritional quality comparable to milk and meat proteins. Another big bonus is that the formula requires no sugar—a standard bread ingredient. USDA researchers estimate the U.S. could save some 3 million pounds of sugar each day if this formula were used to bake about 50 million 1-pound loaves of white bread daily.

LIMITED PROGRESS . . . Income, health, schooling, and employment of American Indians are all improving, but still trail averages for other U.S. citizens. A USDA report says that the total Indian population swelled from 500,000 in 1960 to 760,000 a decade later, while the share of Indians living in rural areas shrank from 70 to 55 percent. Unemployment among Indians runs about double the U.S. rate, due mainly to lack of training for nonfarm occupations.

BLOOMING AND BOOMING . . . Cut carnations, gladioli, roses, and chrysanthemums—as well as potted chrysanthemums—from 22 major growing States brought a total of $234 million in wholesale sales last

year. Growers realized an additional $111 million in foliage plant sales—up nearly two-thirds from a year earlier. California remained the top producer of carnations, standard and potted mums, and roses, while Florida turned out the most gladioli and foliage plants. Most of the roughly 3,300 commercial producers surveyed by SRS had sales of $10,000 to $100,000. Nonetheless, 20% reported sales ranging from $100,000 to $250,000, and 15% claimed more than $250,000.

A FINER FRENCH FRY . . . Scientists with USDA's Agricultural Research Service have taken a twist out of making french fries with the development of a new processing method that pushes steamed mashed potatoes through a die that shapes them into straight, uniform french fries. The process uses physical methods rather than preservatives and binders to hold the mash together. This improves crispness and rigidity, and helps the fries absorb less oils than commercial varieties. The new method will also accept potatoes of any size or shape—which cuts down on waste. And there's still another bonus: A device used to mash the potatoes eliminates the need for caustic or steam peeling . . . a common cause of water pollution.

BEEF EATERS . . . First quarter '75 saw U.S. beef consumption climb to an unprecedented 30.2 pounds a person, USDA economists report. The increase from fourth quarter '74 proved only fractional, but Americans put away about 2 pounds more per person than a year earlier. Veal consumption was up from last year, but still ranged under 1 pound per person. Pork, lamb, and mutton consumption each fell off, pulling use of all red meats down about a pound per person from October-December to 47 pounds during January-March.

AND SOY SAMPLERS . . . Experts claim that within 5 years, from 10 to 20% of the "meat" in American diets may actually be soy-based meat analogs. According to USDA food and nutrition specialists, combinations of soy products and meat scraps that were once discarded will provide a thrifty source of good quality protein—and help fill protein needs of a growing population.

ENOUGH FERTILIZER . . . Brazil has launched a fertilizer development program aimed at total self-sufficiency by 1980, according to USDA's Foreign Agricultural Service. The program calls for investments totaling $1.2 billion. If successful, however, it's expected to save producers up to $950 million a year. For the time being, Brazil must rely on imports to fill its fertilizer needs, which climbed from 600,000 metric tons in 1968 to 1.7 million tons in 1973.

BRUCELLOSIS BATTLE . . . Tightened rules on interstate shipment of cattle form the latest tactic in USDA's war on brucellosis. With certain exceptions, cattle now must be tested for brucellosis when moved across State lines from areas or herds not certified as brucellosis free. Exceptions include cattle consigned to slaughter or to a quarantined feedlot. Also, cattle found exposed to the contagious disease must be branded with a letter that indicates they've been exposed before being shipped to slaughter or to a quarantined feedlot. USDA veterinarians note that the tougher rules will help protect the uninfected 99% of the U.S. cattle herd, as well as aid eradication efforts.

TOBACCO TAXES . . . Over the past 2 years, only 4 States upped their cigarette taxes, compared with 16 in 1972 alone. Some States have proposed tax hikes this year, while others have actually considered lowering the charges. As of December 1974, State cigarette taxes averaged 12 cents a pack. Added to the 8-cent Federal excise tax, total State and Federal charges come to 20 cents a pack, or a penny a smoke. At this rate, the person who smoked 208 packs of cigarettes last year—the average adult consumption—paid just over $40 in State and Federal taxes alone.

TAX TURNUP . . . Farm real estate taxes turned higher in 1973—as they've done every year for more than three decades. USDA economists pegged the advance at 2½%. Farm owners paid a total real estate bill of $2.5 billion, which works out to $2.56 an acre. The tax increase, however, lagged behind growth in farm real estate values—up about 13 percent—and fell off as a percent of gross farm income and farm personal income.

BOTTOMS FOR BUTTER . . . American butter consumption skidded to 4½ pounds a person last year, down 3/10 of a pound from a year earlier, and the lowest level since records began in 1909. Lard use (direct) also sank to new lows at just over 3 pounds a person. USDA economists note that margarine was about the only major food fat not registering a drop in per capita use.

SPEAKING OF GREASE . . . USDA's Foreign Agricultural Service (FAS) reports that exports of U.S. tallow and choice white grease climbed sharply in 1974. Japan was the No. 1 customer for inedible tallow, while Mexico bought the most of the edible variety. FAS experts say that the 15% gain in foreign tallow and grease sales is due mainly to high prices for substitute vegetable oils and smaller output in certain major trading nations.

Statistical Barometer

Item	1973	1974	1975—latest available data
Farm Food Market Basket:[1]			
Retail cost (1967=100)	142	162	169 February
Farm value (1967=100)	167	178	173 February
Farmer's share of retail cost (percent)	46	43	40 February
Farm Income:			
Volume of farm marketings (1967=100)	116	116	102 [2]
Cash receipts from farm marketings ($bil.)	88.6	95.0	90.6 [2]
Realized gross farm income ($bil.)	97.0	102.0	98.0 [2]
Production expenses ($bil.)	64.7	74.8	76.5 [2]
Realized net farm income ($bil.)	32.2	27.2	21.5 [2]
Income and Spending:			
Disposable personal income ($bil.)	903.7	979.7	1,017.4 [2]
Expenditures for food ($bil.)	143.6	164.5	177.4 [2]
Share of income spent for food (percent)	15.9	16.8	17.4 [2]
Prices:			
Consumer price index, all items (1967=100)	133.1	147.7	157.8 March
Food (1967=100)	141.4	161.7	171.3 March
Agricultural Trade:			
Agricultural exports ($bil.)	17.7	22.0	1.9 February
Agricultural imports ($bil.)	8.4	10.2	.7 February
Sheep and Lamb Inventory, January 1:			
Sheep and lambs (mil. head)	17.7	16.4	14.5
On feed (mil. head)	2.9	2.7	2.1
Stock sheep (mil. head)	14.9	13.7	12.5
New crop lambs (mil. head)[3]	1.2	1.1	1.0
Value per head, all sheep and lambs ($)[4]	26.70	32.50	30.40
Total value, all sheep and lambs ($mil.)[4]	472.7	533.4	442.3
Cattle on Feed, April 1:[5]			
Cattle and calves on feed, total (mil. head)	13.3	12.3	8.5
Steers and steer calves (mil. head)	9.5	9.0	6.0
Heifers and heifer calves (mil. head)	3.8	3.2	2.4
Cows and other (mil. head)	.06	.08	.07
Steers 500 pounds and over (mil. head)	8.9	8.5	5.7
Heifers 500 pounds and over (mil. head)	3.3	2.8	2.2

[1]Average quantities per family and single person households bought by wage and clerical workers, 1960-61, based on Bureau of Labor Statistics figures.
[2]Annual rate, seasonally adjusted, 1st quarter.
[3]Includes all lambs born after September 30 the previous year that are on hand on January 1.
[4]Based on reporters' estimates of average price per head in their localities.
[5]23 States.

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